



Ensuring Permanent Affordability with a **Community Land Trust**

Thomas Jefferson Community Land Trust

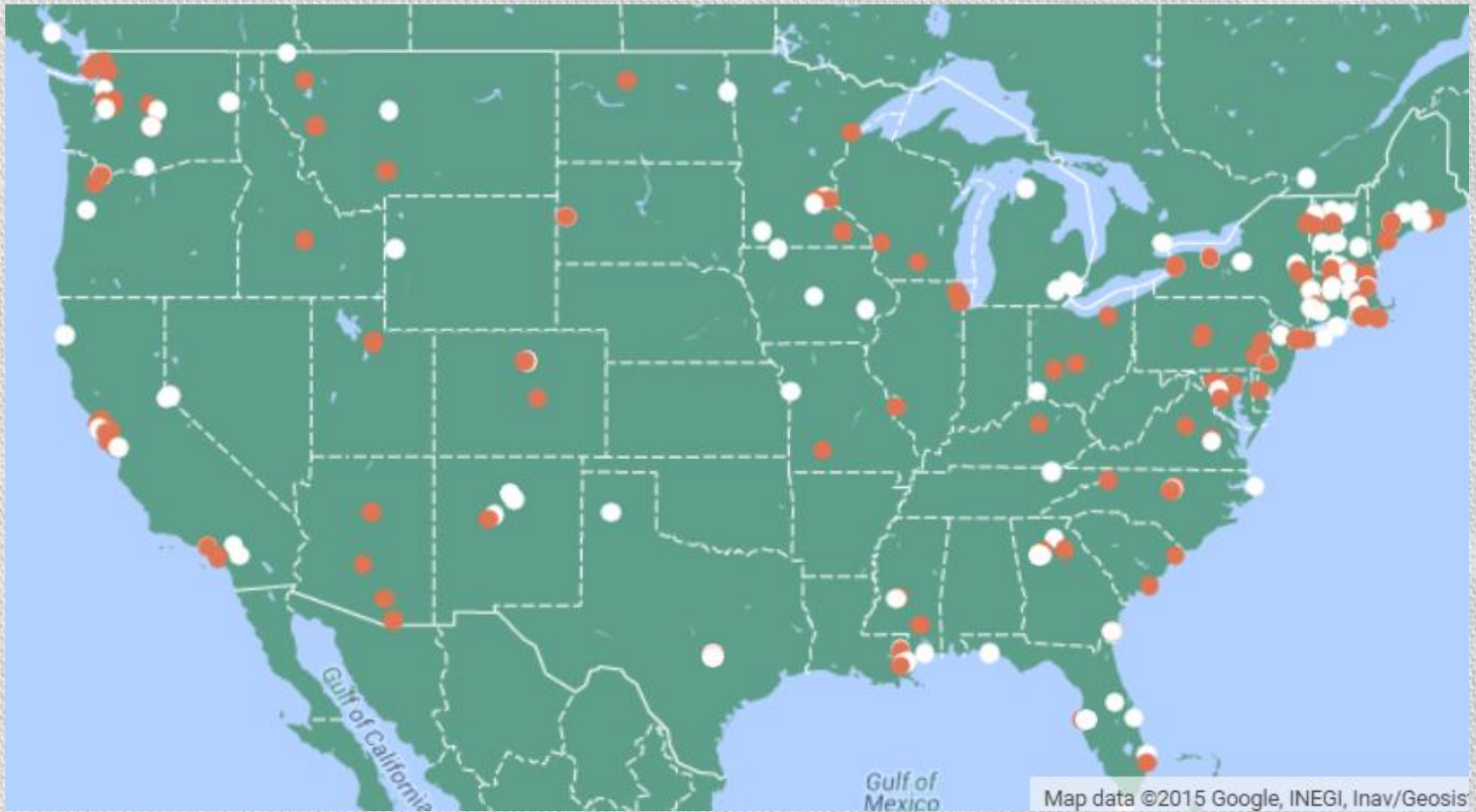
Community Land Trust: a nonprofit corporation that is a developer and and steward of permanently affordable housing on behalf of a community.



“CLTs” provide the opportunity for affordable homeownership to current and future buyers. The home is an individual and a community asset.

What is a CLT?

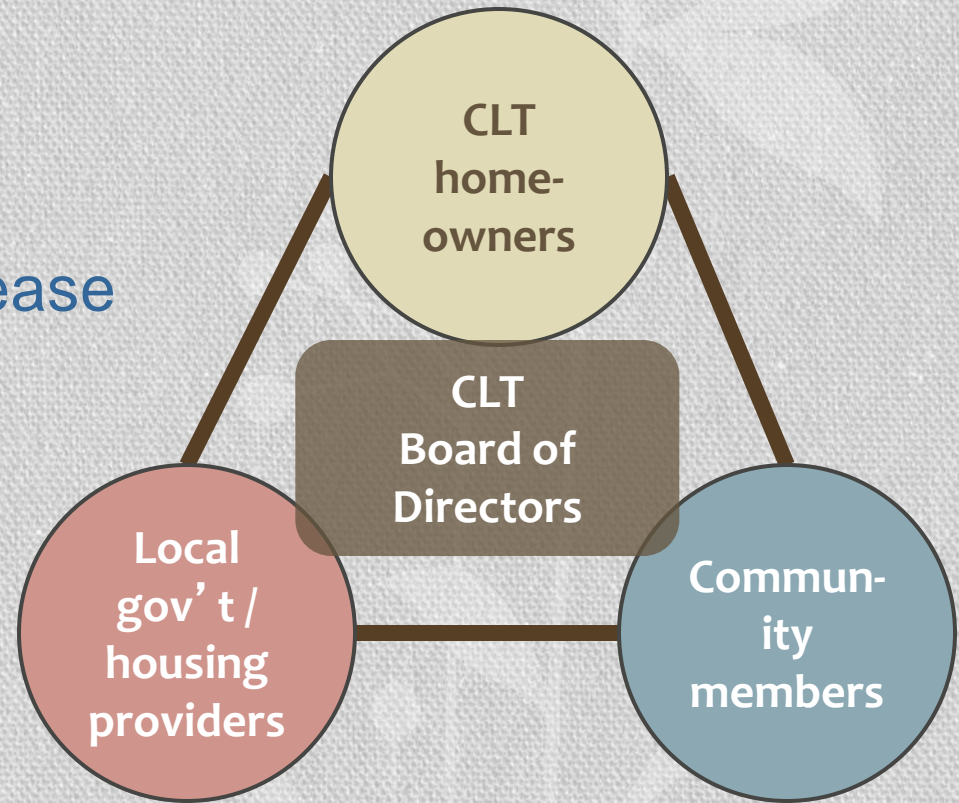
CLTs were developed in the US – there are currently **over 250 Community Land Trusts nationwide** in 45 states and the District of Columbia



CLTs around the country

Key Features of a Community Land Trust

1. 501(c)(3) corporation
2. Dual ownership
 - Land
 - Structure
3. Long term, low cost land lease
4. Permanent affordability
5. Shared Equity
6. Tripartite governance
 - Community
 - Homeowners
 - Local Government
7. Stewards of land / Partners with homeowners



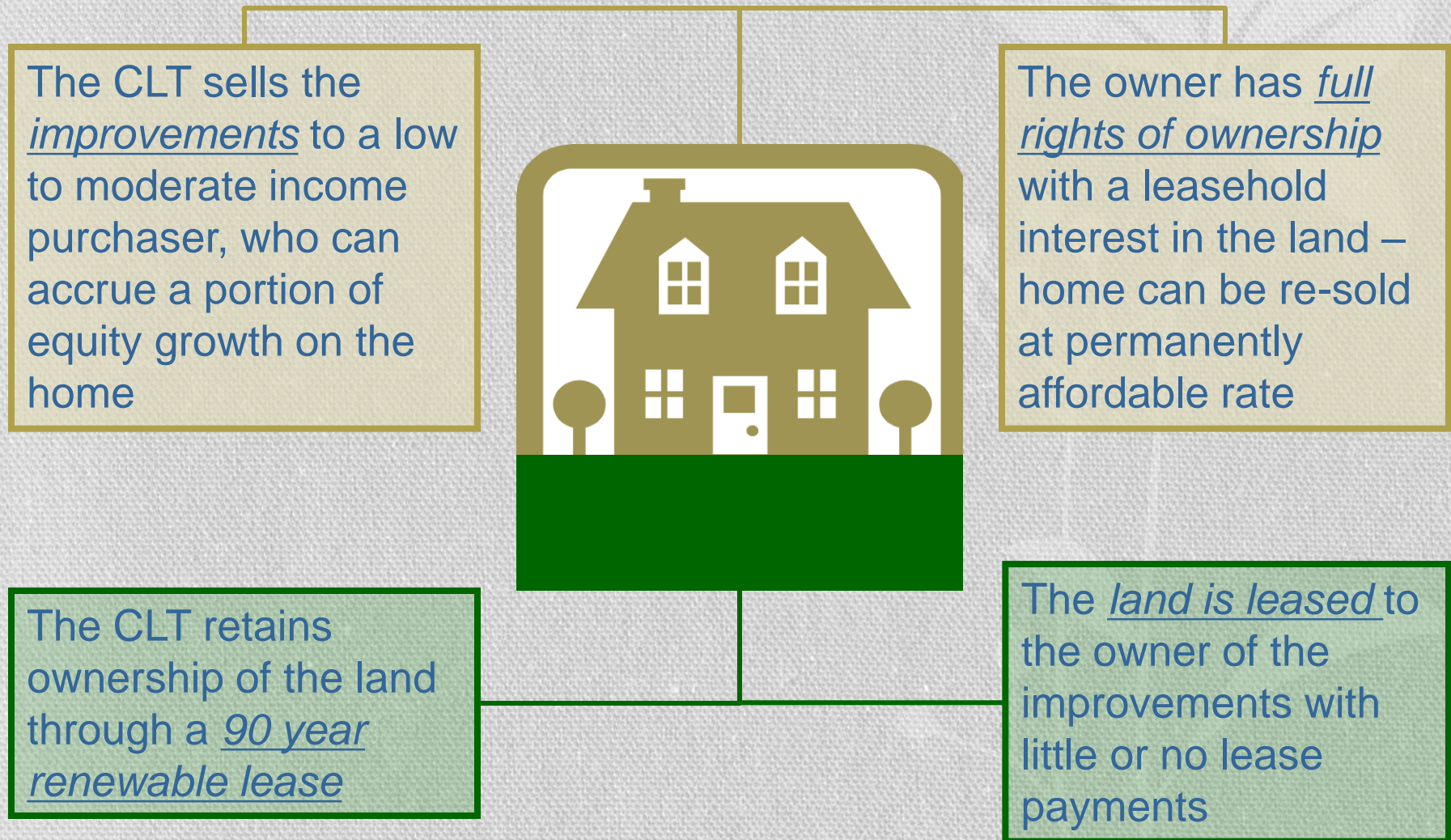
CLTs have the potential to balance the interests of all parties by:

- Protecting the public's investment in affordable housing
- Expanding and preserving access to homeownership for households excluded from the market
- Stabilizing neighborhoods buffeted by cycles of disinvestment or reinvestment
- Ensuring accountability to funders, taxpayers, and the communities served by the CLT



Features of a CLT

The values of the land and improvements are separate:

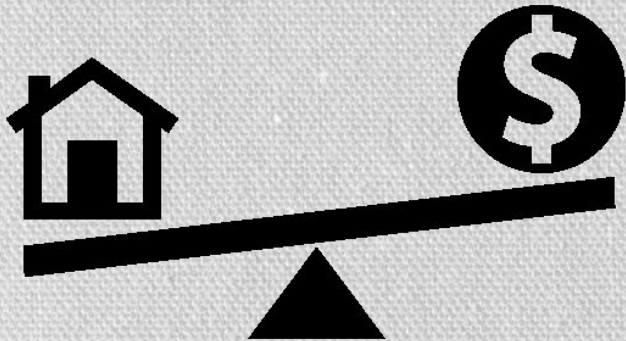


CLTs keep the property permanently affordable

Land Cost:
\$60,000

Remains with the land trust (removes cost from the property forever)

Land lease in new owner's name



Improvement (House) Cost:
\$120,000

Sold to a qualified low- to moderate-income purchaser

Resale:

Market appreciation of \$40,000
Restrict appreciation to 25%
Seller receives \$10,000 (plus amortized equity)

Home re-sale price = \$130,000

****Re-sale to qualified LMI purchaser**

Permanent Affordability: Example

Benefits of living in a CLT home:

- Long-term security of homeownership
- 90-year renewable ground lease
- Homeowner retains right to will home to heirs
- Reduced mortgage amount
- Equity accumulation on the home
- Assurance of permanent affordability



Why a CLT?

CLTs are most effective in areas with a high affordability gap

FIGURE 2a

In Markets Where Home Prices Outpace Incomes, the Affordability Gap Continues to Grow...

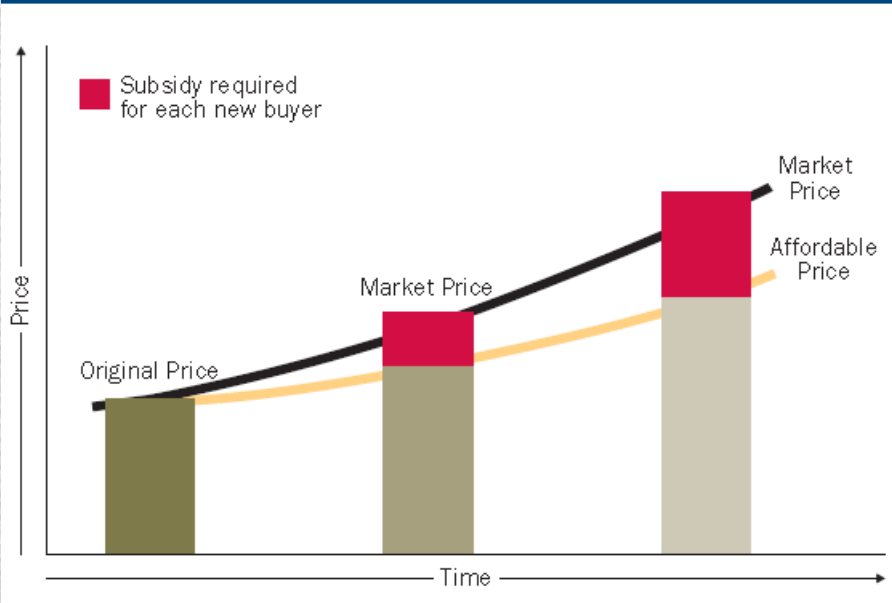
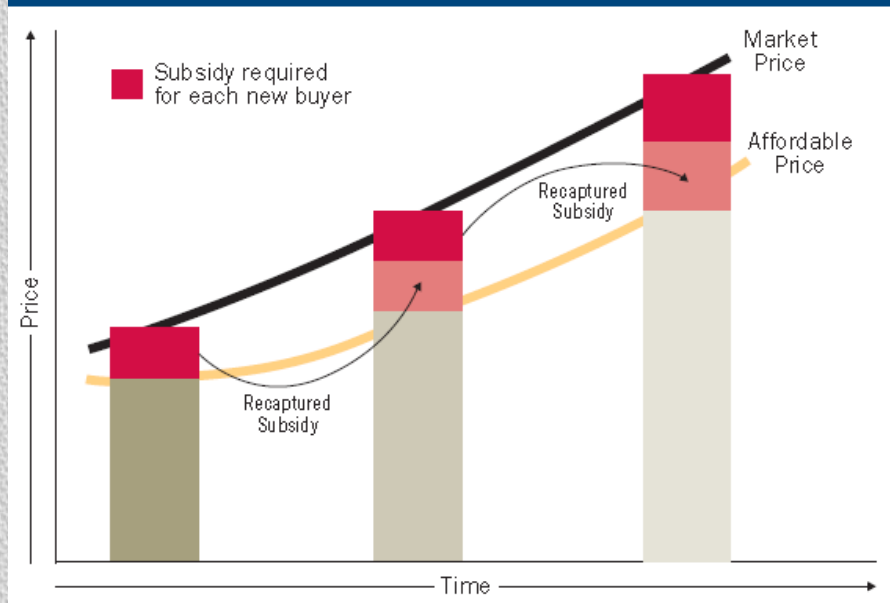


FIGURE 2b

... Even When Homeowners Are Required to Repay the Subsidy at Sale



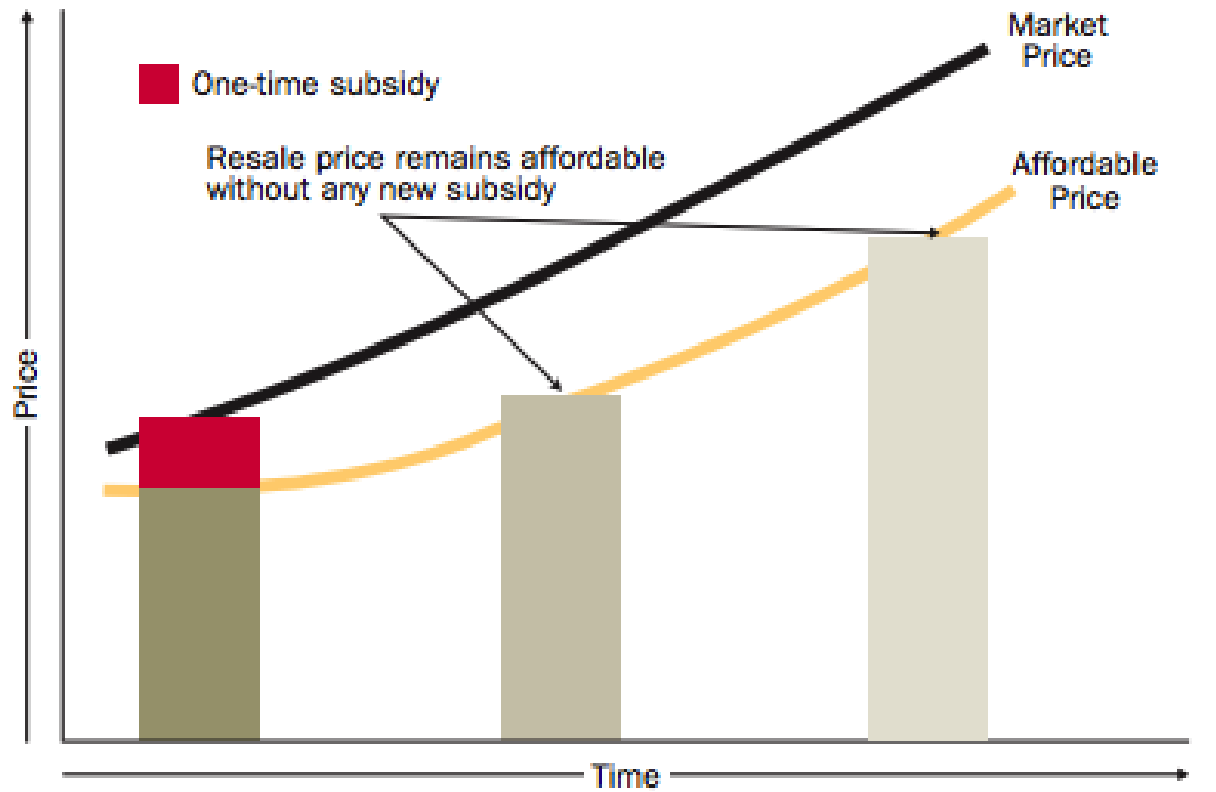
Lincoln Institute of Land Policy

An ever-larger subsidy is still needed to help subsequent generations of homebuyers if prices continue to rise faster than incomes.

Affordability Gap

CLT homes are MORE affordable over time

The CLT Model Limits the Rate of Increase in Resale Prices, Keeping Homes Affordable Over Time



Lincoln Institute of Land Policy

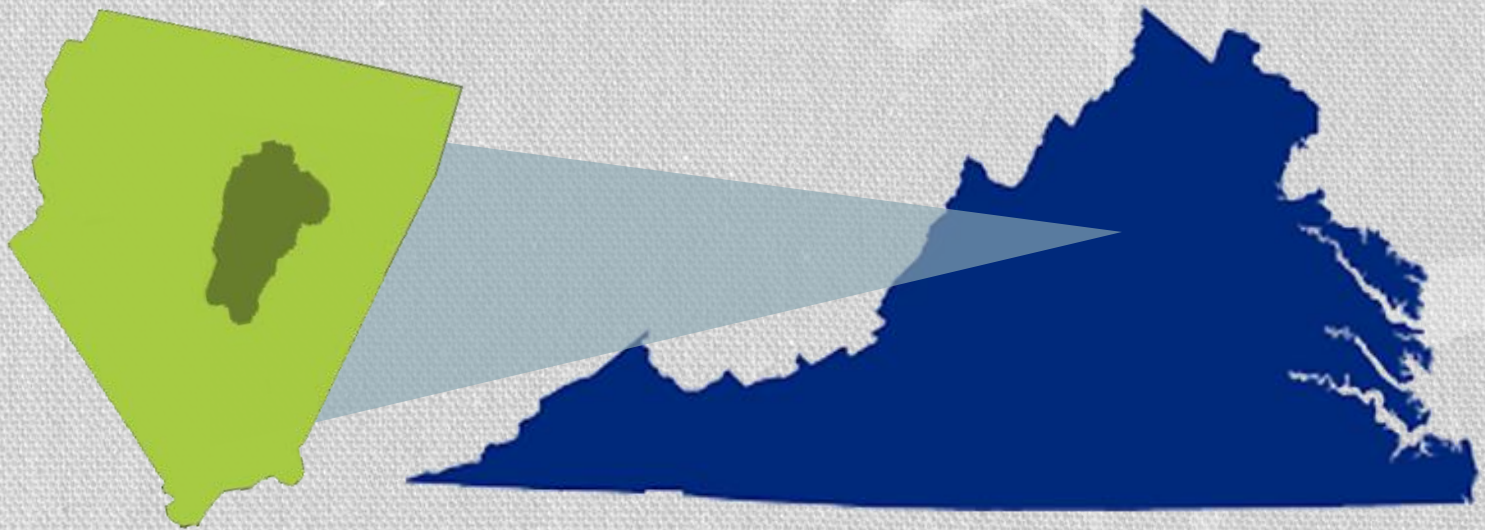
Community land trusts offer the most efficient method of long term affordable homeownership.

Affordability Gap

Virginia's Community Land Trust

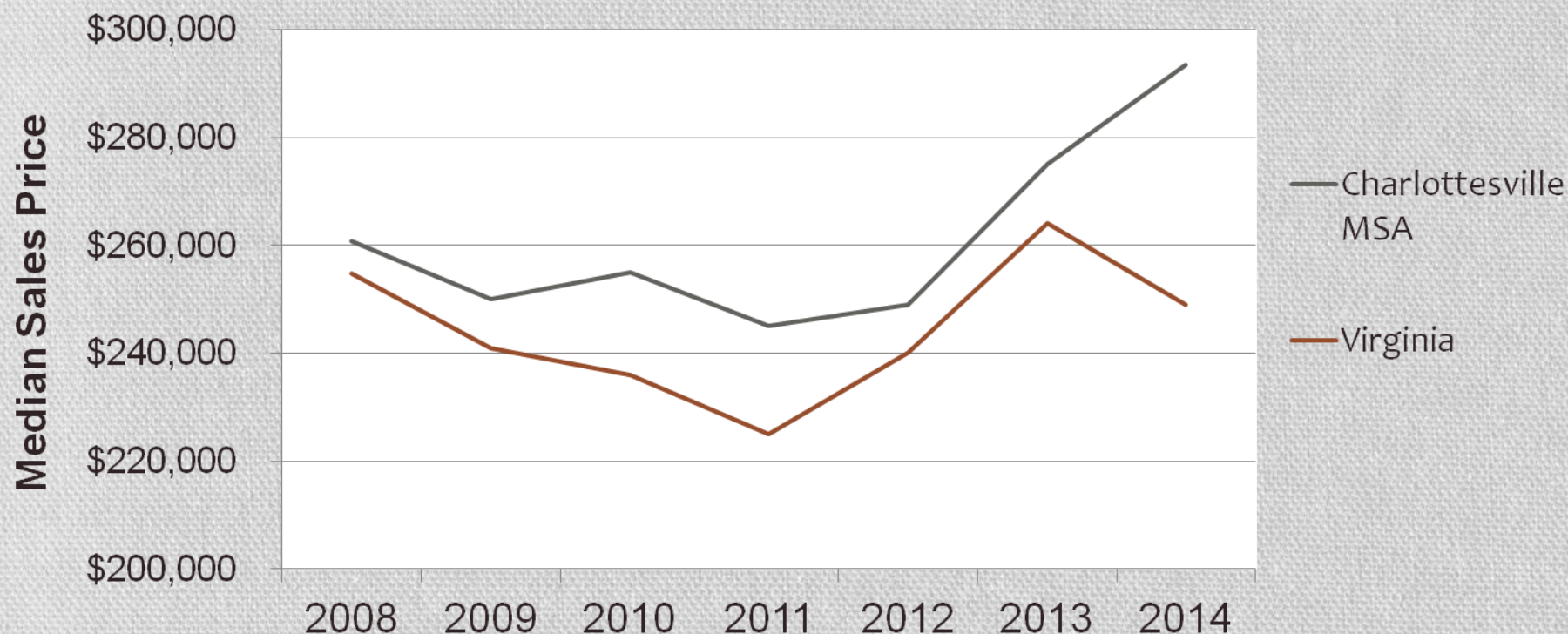
Thomas Jefferson CLT

City of Charlottesville, Albemarle County & PDC Region



The Charlottesville area has outpaced Virginia in home price increases

Median Home Sales Price, 2008-2014



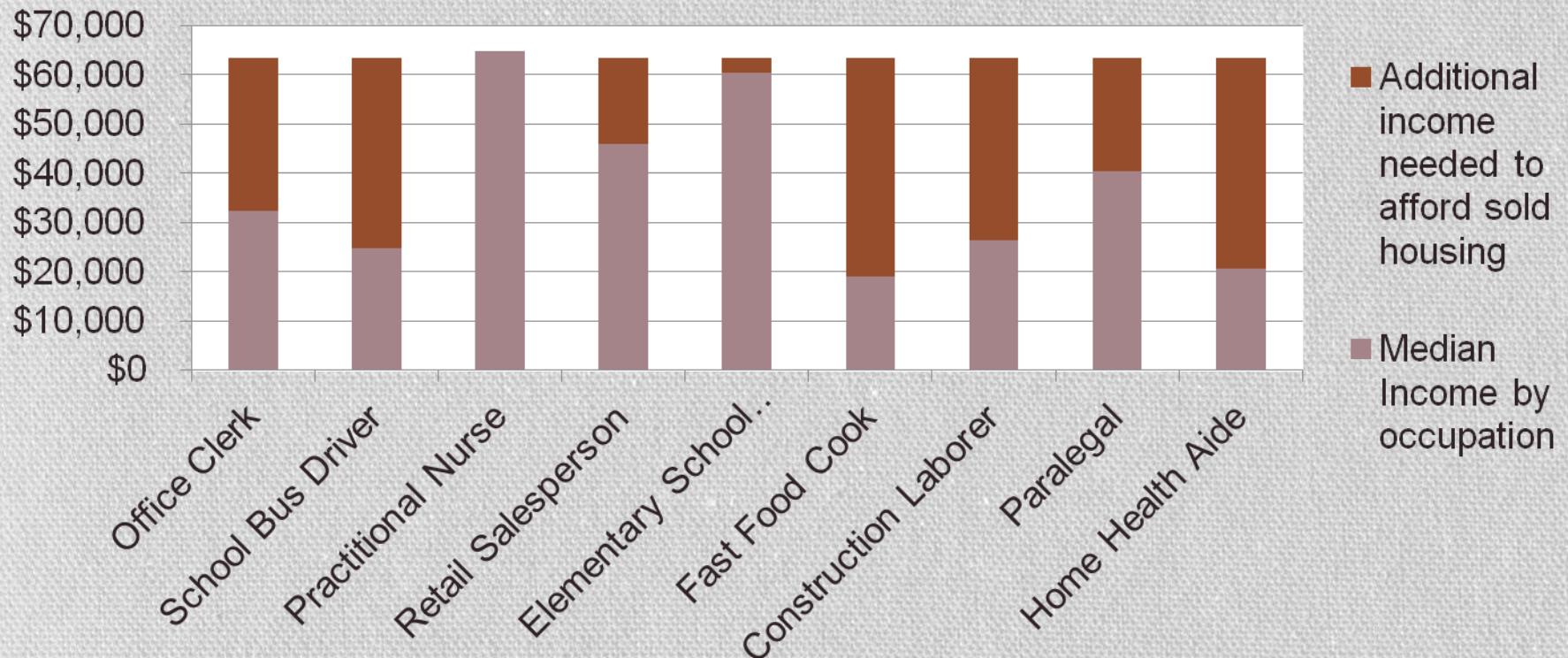
Housing Virginia SOURCEBOOK, www.housingvirginia.org/sourcebook.aspx

Affordability need in Charlottesville



...But the incomes of Charlottesville's most common occupations are not enough to afford homeownership

**Homeownership Affordability by Occupation,
Charlottesville MSA**



Housing Virginia SOURCEBOOK, www.housingvirginia.org/sourcebook.aspx

Affordability need in Charlottesville

The TJCLT was started in 2008 to:

- Acquire land through donation or purchase
- Remove land from speculative market
- Place long-term control of land in hands of the local community
- Allow the community to control use, disposition and affordability of buildings located on TJCLT-owned land



TJCLT has developed partnerships with:

- The City of Charlottesville
- Habitat for Humanity of Greater Charlottesville
- Piedmont Housing Alliance
- Wells Fargo
- Nest Realty



Results: Partnerships

TJCLT has developed 5 homes in Charlottesville, with plans for 3 more in 2015.



Results: Housing



www.tjclt.org

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